

# 4Q19 EARNINGS CONFERENCE CALL

FEBRUARY 12, 2020

# Disclaimers



The information in this presentation is current only as of its date and may have changed. We undertake no obligation to update this information in light of new information, future events or otherwise.

This presentation includes estimates regarding market and industry data that we prepared based on our management's knowledge and experience in the markets in which we operate, together with information obtained from various sources, including publicly available information, industry reports and publications, surveys, our clients, trade and business organizations and other contacts in the markets in which we operate. In presenting this information, we have made certain assumptions that we believe to be reasonable based on such data and other similar sources and on our knowledge of, and our experience to date in, the markets in which we operate. While such information is believed to be reliable for the purposes used herein, no representations are made as to the accuracy or completeness thereof and we take no responsibility for such information.

## Basis of Presentation

The historical financial information and other disclosures contained in this presentation relate to periods that ended both prior to and after the completion of the Reorganization Transactions and the IPO of Tradeweb Markets Inc. (unless the context otherwise requires, together with its subsidiaries, referred to as "we," "our," "Tradeweb," "Tradeweb Markets" or the "Company"). The IPO closed on April 8, 2019. As a result of certain reorganization transactions (the "Reorganization Transactions") completed in connection with the IPO, on April 4, 2019, Tradeweb Markets Inc. became a holding company whose only material assets consist of its equity interest in Tradeweb Markets LLC ("TWM LLC") and related deferred tax assets. As the sole manager of TWM LLC, Tradeweb Markets Inc. operates and controls all of the business and affairs of TWM LLC and, through TWM LLC and its subsidiaries, conducts its business. As a result of this control, and because Tradeweb Markets Inc. has a substantial financial interest in TWM LLC, Tradeweb Markets Inc. consolidates the financial results of TWM LLC and its subsidiaries. The historical financial information contained in this presentation relating to periods prior to and including March 31, 2019, which we refer to as the "pre-IPO period," pertain to TWM LLC, the predecessor of Tradeweb Markets Inc. for financial reporting purposes. The historical financial information contained in this presentation relating to periods beginning on April 1, 2019, and through and including December 31, 2019, which we refer to as the "post-IPO period," pertain to Tradeweb Markets Inc. The pre-IPO period excludes, and the post-IPO period includes, our financial results from April 1, 2019 through April 3, 2019, which are not material.

On October 1, 2018, Refinitiv Holdings Ltd. ("Refinitiv"), which is controlled by certain investment funds affiliated with The Blackstone Group L.P., an affiliate of Canada Pension Plan Investment Board, an affiliate of GIC Special Investments Pte. Ltd. and certain co-investors, indirectly acquired substantially all of the financial and risk business of Thomson Reuters Corporation and Thomson Reuters Corporation indirectly acquired a non-controlling ownership interest in Refinitiv (collectively, the "Refinitiv Transaction"). As a result of the Refinitiv Transaction, as a consolidating subsidiary of Refinitiv, we accounted for the Refinitiv Transaction using pushdown accounting. Due to the change in the basis of accounting resulting from the application of pushdown accounting, the financial information for the period beginning on October 1, 2018, and through and including December 31, 2019, or the "successor" period, and the financial information for the periods prior to, and including, September 30, 2018, or the "predecessor" period, are not comparable. However, the change in basis resulting from the Refinitiv Transaction did not materially impact certain financial information. Accordingly, we present certain financial information for the year ended December 31, 2018 on a combined basis as the change in basis resulting from the Refinitiv Transaction did not materially impact such financial information and we believe it provides a meaningful method of comparison to other periods. The combined financial information is being presented for informational purposes only and (i) has not been prepared on a pro forma basis as if the Refinitiv Transaction occurred on the first day of the period, (ii) may not reflect the actual results we would have achieved absent the Refinitiv Transaction, (iii) may not be predictive of future results of operations and (iv) should not be viewed as a substitute for the financial results of the separate periods presented in accordance with GAAP.

We believe that gross revenue is the key driver of our operating performance and therefore is the revenue measure we utilize to assess our business on a period by period basis.

## Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the federal securities laws. Statements related to, among other things, our guidance, including 2020 guidance, and future performance, the industry and markets in which we operate, our expectations, beliefs, plans, strategies, objectives, prospects and assumptions and future events are forward-looking statements.

We have based these forward-looking statements on our current expectations, assumptions, estimates and projections. While we believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control. These and other important factors, including those discussed under the heading "Risk Factors" in the documents of Tradeweb Markets Inc. on file with or furnished to the SEC, may cause our actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements contained in this presentation are not guarantees of future performance and our actual results of operations, financial condition or liquidity, and the development of the industry and markets in which we operate, may differ materially from the forward-looking statements contained in this presentation. In addition, even if our results of operations, financial condition or liquidity, and events in the industry and markets in which we operate, are consistent with the forward-looking statements contained in this presentation, they may not be predictive of results or developments in future periods.

Any forward-looking statement that we make in this presentation speaks only as of the date of such statement. Except as required by law, we do not undertake any obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this presentation.

## Non-GAAP Financial Measures

This presentation contains "non-GAAP financial measures," including Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EBIT, Adjusted EBIT margin, Adjusted EBT, Adjusted Net Income, Adjusted Net Income per diluted share ("Adjusted Diluted EPS"), Free Cash Flow and Adjusted Expenses, which are supplemental financial measures that are not calculated and presented in accordance with GAAP. We make use of non-GAAP financial measures in evaluating our past results and future prospects. We present these non-GAAP financial measures because we believe they assist investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance.

See "Appendix" for reconciliations of the non-GAAP financial measures contained in this presentation to their most comparable GAAP financial measure. Non-GAAP financial measures have limitations as analytical tools, and you should not consider these non-GAAP financial measures in isolation or as alternatives to net income attributable to Tradeweb Markets Inc., net income, earnings per share, operating income, operating expenses, cash flow from operating activities or any other financial measure derived in accordance with GAAP. You are encouraged to evaluate each adjustment included in the reconciliations. In addition, in evaluating Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EBIT, Adjusted EBIT margin, Adjusted EBT, Adjusted Net Income, Adjusted Diluted EPS, Free Cash Flow and Adjusted Expenses, you should be aware that in the future, we may incur expenses similar to the adjustments in the presentations of these non-GAAP financial measures. Our presentation of non-GAAP financial measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. In addition, the non-GAAP financial measures contained in this presentation may not be comparable to similarly titled measures used by other companies in our industry or across different industries.

We present certain growth information on a "constant currency" basis. Since our consolidated financial statements are presented in U.S. dollars, we must translate non-U.S. dollar revenues and expenses into U.S. dollars. Constant currency growth, which is a non-GAAP financial measure, is defined as growth excluding the effects of foreign currency fluctuations. Constant currency information is calculated by translating the current period and prior period's results using the average exchange rates for 2018. We use constant currency growth as a supplemental metric to evaluate our underlying performance between periods by removing the impact of foreign currency fluctuations. We present certain constant currency growth information because we believe it provides investors and analysts a useful comparison of our results and trends between periods. This information should be considered in addition to, not as a substitute for, results reported in accordance with GAAP, and may not be comparable to similarly titled measures used by other companies.

## Tradeweb Social Media

Investors and others should note that Tradeweb Markets announces material financial and operational information using its investor relations website, press releases, SEC filings and public conference calls and webcasts. Information about Tradeweb Markets, its business and its results of operations may also be announced by posts on the Company's accounts on the following social media channels: Instagram, LinkedIn and Twitter. The information that we post through these social media channels may be deemed material. As a result, we encourage investors, the media, and others interested in Tradeweb Markets to monitor these social media channels in addition to following our press releases, SEC filings and public conference calls and webcasts. These social media channels may be updated from time to time on our investor relations website.

# 4Q19 Earnings Call Participants



**STRATEGIC REVIEW**  
**Lee Olesky**  
CO-FOUNDER AND CEO



**GROWTH INITIATIVES**  
**Billy Hult**  
PRESIDENT



**FINANCIAL REVIEW**  
**Robert Warshaw**  
CHIEF FINANCIAL OFFICER



**WELCOME/  
INTRODUCTION**  
**Ashley Serrao**  
HEAD OF U.S. CORPORATE  
DEVELOPMENT & IR

## Continuing to Strike the Right Balance Between Investing to Drive Revenue Growth & Margin Expansion

**GROWTH  
FROM  
2016-2019  
(CAGR)**







**14.4%**  
REVENUE  
GROWTH

**24.6%**  
ADJUSTED EBIT  
GROWTH<sup>1</sup>

**20.7%**  
ADJUSTED EBITDA  
GROWTH<sup>1</sup>

### BENCHMARKING PERFORMANCE

\*CC = constant currency

	FY 2019	FY 2018 <sup>2</sup>	GROWTH <sup>3</sup>
 <b>VOLUMES</b>	\$725 B ADV	\$548 B ADV	+32%
 <b>REVENUES</b>	\$776 M	\$684 M	+13% / +15% y/y (CC*)
 <b>ADJ. NET INCOME<sup>1</sup></b>	\$231 M	\$178 M	+30%
 <b>ADJ. EBITDA MARGIN<sup>1</sup></b>	45.5%	40.8%	+471 bps
 <b>ADJ. EBIT MARGIN<sup>1</sup></b>	40.2%	35.0%	+515 bps
 <b>ADJ. DILUTED EPS<sup>1</sup></b>	\$1.00 <sup>4</sup> (\$0.23 / \$0.77)	\$0.82	+22%

- Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EBIT, Adjusted EBIT margin, Adjusted Net Income and Adjusted Diluted EPS are non-GAAP financial measures. See "Appendix" for reconciliations to their most comparable GAAP financial measures.
- Represents the combined results of the period from January 1, 2018 to September 30, 2018 and the period from October 1, 2018 to December 31, 2018 for the full year ended December 31, 2018. This combination was performed by mathematical addition and is not a presentation made in accordance with GAAP. See "Disclaimers" for additional information and "Appendix" for additional reconciliations.
- Growth information presented on a "constant currency" basis reflects growth for the period excluding the impact of foreign currency fluctuations. See "Disclaimers—Non-GAAP Financial Measures" for more information. Adjusted EBITDA margin and Adjusted EBIT margin growth on a constant currency basis was +530bps and +587bps respectively.
- Represents combined Adjusted Diluted EPS for Tradeweb Markets Inc. (post-IPO period 2019) and Tradeweb Markets LLC (pre-IPO period 2019) for the full year ended December 31, 2019. This combination was performed by mathematical addition and is not a presentation made in accordance with GAAP. However, we believe it provides a meaningful method of comparison of Adjusted Diluted EPS for the full year ended December 31, 2019 to the combined year ended December 31, 2018.

## OPERATING PERFORMANCE HIGHLIGHTS

### GROSS REVENUE

**\$197.3M**

+10.5% y/y\*

+11.7% y/y (CC\*\*)¹

### INTERNATIONAL REVENUES

**\$68.7M**

+9.5% y/y

+12.9% y/y (CC)¹

### ADJUSTED NET INCOME²

**\$60.5M**

+48.1% y/y

+52.9% y/y (CC)¹

### ADJUSTED EBITDA MARGIN²

**46.9%**

+1,029 bps y/y

+1,110 bps y/y (CC)¹

### ADJUSTED EBIT MARGIN²

**41.3%**

+1,068 bps y/y

+1,155 bps y/y (CC)¹

### ADJUSTED DILUTED EPS²

**\$0.26**

+42.2% y/y

+46.7% y/y (CC)¹

\*y/y = year over year comparison

\*\*CC = constant currency

1. Growth information presented on a "constant currency" basis reflects growth for the period excluding the impact of foreign currency fluctuations. See "Disclaimers – Non-GAAP Financial Measures" for more information.

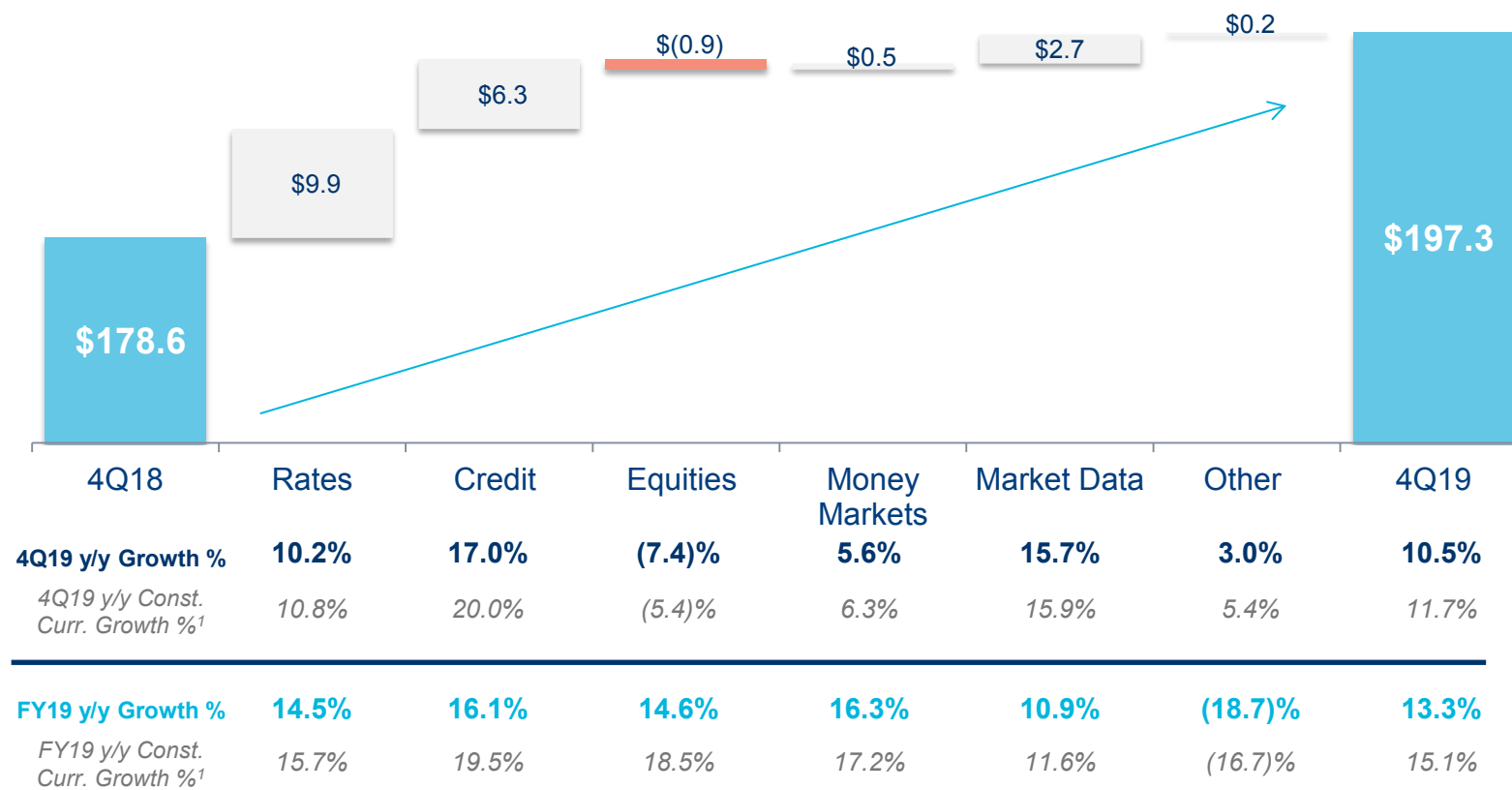
2. Adjusted Net Income, Adjusted EBITDA margin, Adjusted EBIT margin and Adjusted Diluted EPS are non-GAAP financial measures. See "Appendix" for reconciliations to their most comparable GAAP financial measures.

# Gross Revenue Results

(\$ in millions)

4Q19 GROSS REVENUE GROWTH OF 10.5% (CC 11.7% Y/Y)<sup>1</sup>

FY19 GROWTH OF 13.3% (CC 15.1% Y/Y)<sup>1</sup>

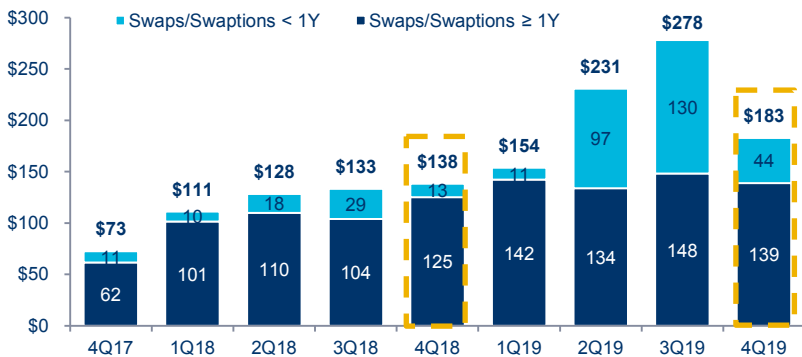


1. Growth information presented on a "constant currency" basis reflects growth for the period excluding the impact of foreign currency fluctuations. See "Disclaimers – Non-GAAP Financial Measures" for more information.

# Growth Initiatives

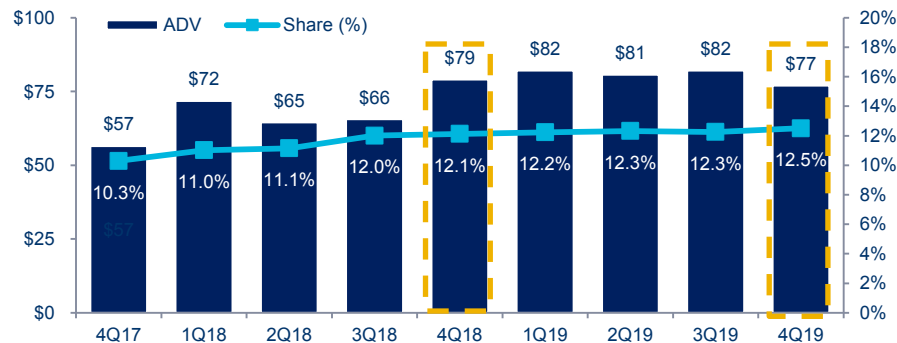
## GLOBAL INTEREST RATE SWAPS (ADV) 4Q19 Y/Y Growth Total: +32%

(\$ in billions)



## U.S. TREASURIES (ADV AND SHARE<sup>1</sup>) 4Q19 Y/Y Growth Total: -3%

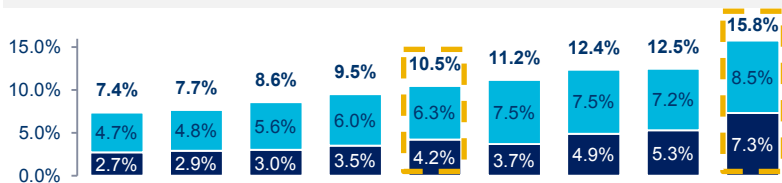
(\$ in billions)



## U.S. CASH CREDIT (SHARE<sup>2</sup>)

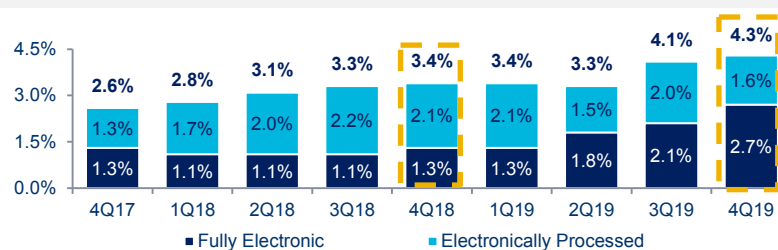
### High Grade

**4Q19 Y/Y ADV Growth**  
HG: Total +53%, Electronic +77%, E-P +36%



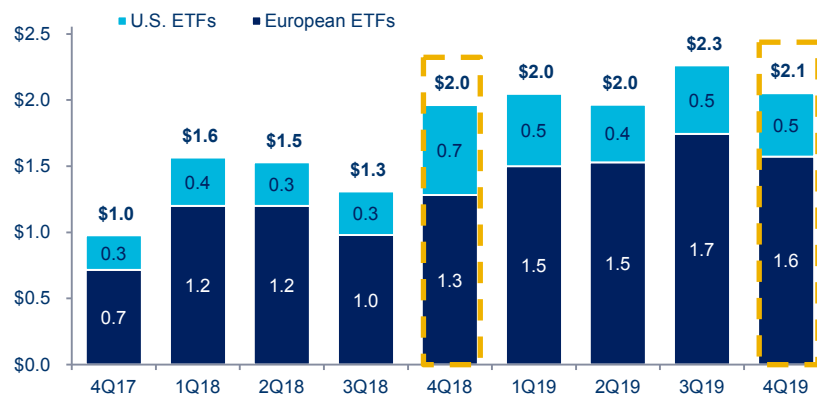
### High Yield

**4Q19 Y/Y ADV Growth**  
HY: Total +34%, Electronic +117%, E-P -18%



## GLOBAL ETFs (INSTITUTIONAL ADV) 4Q19 Y/Y Growth Total: +5%

(\$ in billions)



Note: Totals may not foot due to rounding.

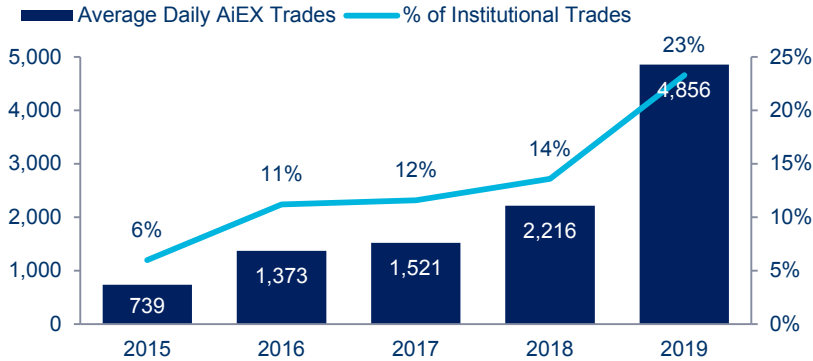
- Share and volumes reflect TW U.S. Treasuries volume across institutional, wholesale and retail client sectors, divided by SIFMA volume, adjusted by Tradeweb management to approximate TRACE volume.
- Share reflects TW high grade and high yield volume across institutional, wholesale and retail client sectors, divided by TRACE volume, adjusted by Tradeweb management to exclude emerging market and convertible bond volumes.

# Investing in AiEX and Global Interest Rate Swaps

## AiEX

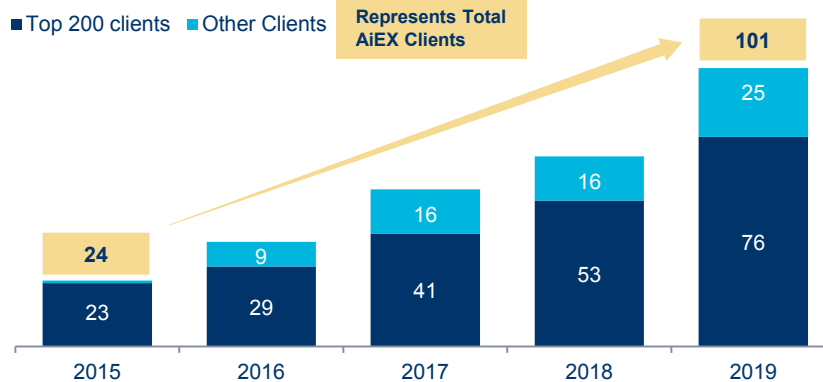
### AiEX TRADE ACTIVITY

ADT CAGR '15-19: +60%



### CLIENT GROWTH

CAGR '15-19: +43%

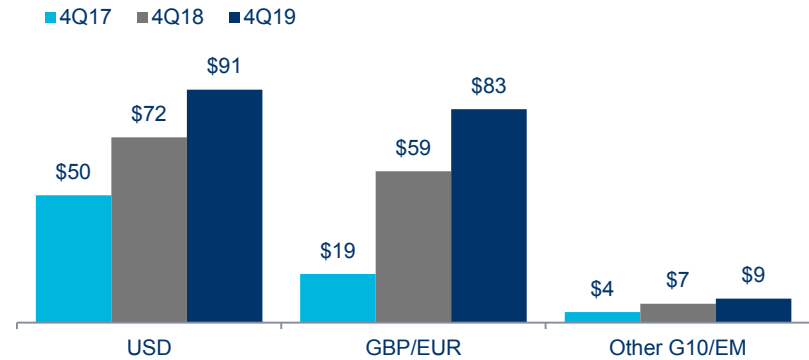


AiEX (Automated Intelligent Execution) uses pre-programmed execution rules to automatically execute trades on Tradeweb sent from a client's EMS/OMS.

## GLOBAL SWAPS

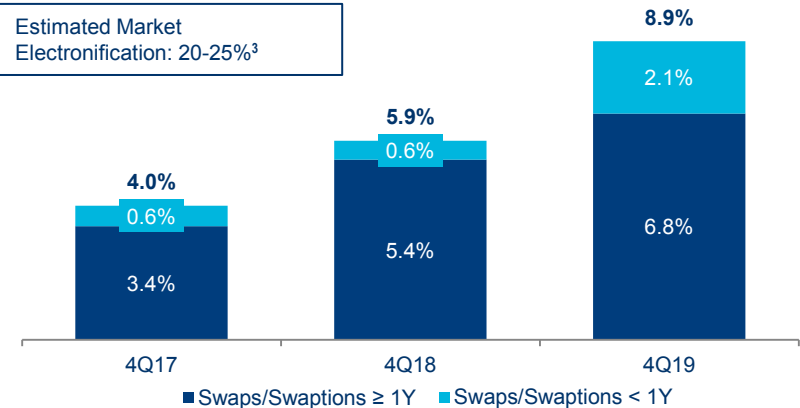
### IRS ADV BY CURRENCY<sup>1</sup>

(\$ in billions)



### GLOBAL IRS MARKET SHARE<sup>2</sup>

Estimated Market  
Electronification: 20-25%<sup>3</sup>



1. ADVs reflect TW volumes across institutional and wholesale client sectors.
2. Share reflects TW IRS volumes across institutional, wholesale and retail client sectors, divided by Clarus cleared market volumes. Global IRS market refers to volumes traded by U.S. and non-U.S. entities.
3. Based on Clarus volumes and Tradeweb management estimates.



# Building a Next Generation U.S. Corporate Credit Marketplace

## TRADEWEB FOCUSES ON U.S. CORPORATE CREDIT IN 2014

### SCALE FOUNDATION<sup>1</sup>

2014: RFQ **+60% y/y**

2017: A2A **+100% y/y**

### DIFFERENTIATE WITH A MARKET-WIDE FOCUS...



### ...AND WITH CONSTANT INNOVATION<sup>1</sup>

2015: SESSIONS **+109% y/y**

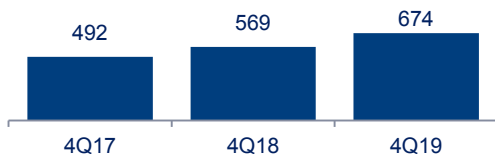
2016: NET SPOTTING **+61% y/y**

2019: PORTFOLIO **\$42bn in Year 1**

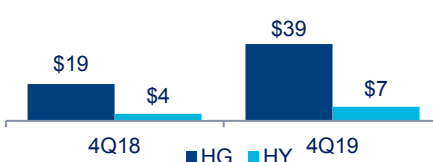
2019: A2A + RETAIL<sup>2</sup> **+150% q/q**

## STRONG RESULTS

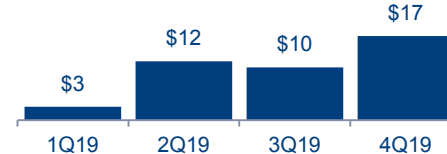
### INSTITUTIONAL CREDIT CLIENT NETWORK



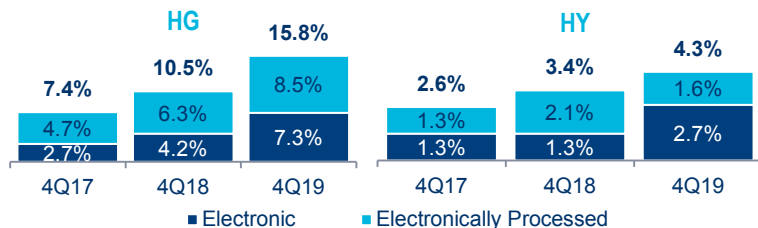
### ANONYMOUS VOLUMES<sup>3</sup> (\$ in billions)



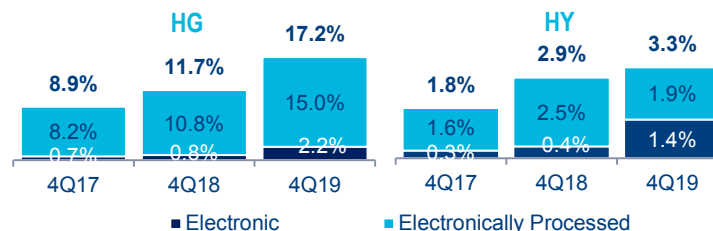
### PORTFOLIO TRADING VOLUMES (\$ in billions)



### MARKET SHARE<sup>4</sup>



### BLOCK SHARE<sup>4,5</sup>



1. Year over year percentage change represents ADV change from 4Q18 to 4Q19 and quarter over quarter percentage change represents ADV change from 3Q19 to 4Q19.  
 2. Exited beta mode in 2Q19.  
 3. Reflects TW high grade and high yield volumes intermediated with undisclosed counterparties.

4. Share reflects TW high grade and high yield volume across institutional, wholesale and retail client sectors, divided by TRACE volume, adjusted by TW management to exclude emerging market and convertible bond volumes.  
 5. Block trades are defined as \$5mm+ for HG and \$1mm+ for HY.

# Quarterly ADV

## RECORD 4Q ADV of \$685BN for 4Q19 (+16% y/y)

KEY ■ Cash ■ Derivatives

### RATES

(\$ in billions)

#### 4Q19 Y/Y GROWTH

Total: +19%  
Cash: +12%  
Derivatives: +32%



### CREDIT

(\$ in billions)

#### 4Q19 Y/Y GROWTH

Total: +10%  
Cash: +39%  
Derivatives: -6%



### EQUITIES

(\$ in billions)

#### 4Q19 Y/Y GROWTH

Total: +5%  
Cash: -13%  
Derivatives: +33%



### MONEY MARKETS

(\$ in billions)

#### 4Q19 Y/Y GROWTH

Total: +12%



# 4Q19 Earnings Performance<sup>1</sup>



(\$ in thousands, except share and per share amounts)

**REVENUE GROWTH OF 10.5% (CC 11.7% y/y)<sup>2</sup> WITH  
EBITDA MARGIN EXPANSION OF +1,029bps to 46.9% (CC +1,110bps y/y)<sup>2</sup>**

	4Q19	4Q18	%Δ 4Q19 vs 4Q18	%Δ Constant Currency 4Q19 vs 4Q18 <sup>2</sup>
Trading Revenues				
Fixed	\$ 67,078	\$ 65,071	3.1%	4.5%
Variable	110,869	96,833	14.5%	15.8%
Total Trading Revenues	\$ 177,947	\$ 161,904	9.9%	11.2%
Refinitiv Market Data	15,383	13,467	14.2%	14.2%
Other Information Services	3,978	3,266	21.8%	22.8%
Gross Revenue	197,308	178,637	10.5%	11.7%
Adj. Expenses <sup>3</sup>	115,826	123,936	(6.5)%	(6.9)%
Adj. EBIT	81,482	54,701	49.0%	53.8%
Interest Income, net	704	787	(10.5)%	(10.6)%
Adj. EBT	82,186	55,488	48.1%	52.9%
Adj. Income Taxes <sup>4</sup>	21,697	14,649	48.1%	52.9%
Adj. Net Income	\$ 60,489	\$ 40,839	48.1%	52.9%
Adj. EBIT Margin	41.3%	30.6%	+1,068bps	+1,155bps
Adj. EBITDA	92,441	65,308	41.5%	45.6%
Adj. EBITDA Margin	46.9%	36.6%	+1,029bps	+1,110bps
Adj. Diluted EPS	\$ 0.26	\$0.18	42.2%	46.7%
Adj. Diluted share count <sup>5</sup>	231,548,249	222,243,851	4.2%	

1. Adj. Expenses, Adj. EBIT, Adj. EBT, Adj. Net Income, Adj. EBIT Margin, Adj. EBITDA, Adj. EBITDA Margin and Adj. Diluted EPS (including Adj. diluted share count) are non-GAAP financial measures. See "Appendix" for reconciliations to their most comparable GAAP financial measures.

2. Growth information presented on a "constant currency" basis reflects growth for the period excluding the impact of foreign currency fluctuations. See "Disclaimers – Non-GAAP Financial Measures" for more information.

3. Represents adjusted operating expenses. See "Adjusted Expenses Detail" for more information.

4. Represents corporate income taxes at an assumed effective tax rate of 26.4% for the three months ended December 31, 2019 and 2018 applied to Adjusted Net Income before income taxes. For periods prior to the pre-IPO period, this adjustment assumes Tradeweb Markets LLC was subject to a corporate tax rate for the periods presented.

5. For the post-IPO period, represents the diluted weighted average number of shares of Class A and Class B common stock outstanding assuming the full exchange of all outstanding LLC Interests of TWM LLC for shares of Class A or Class B common stock. See "Reconciliation of Non-GAAP Financial Measures" for more information.

# Fees per Million<sup>1</sup> Detail

	4Q19	3Q19	4Q18	%Δ 4Q19 vs 3Q19	%Δ 4Q19 vs 4Q18
<b>Rates</b>	\$ 2.03	\$ 1.79	\$ 2.04	13%	(1)%
% Cash	59%	50%	63%	~900bps	~(400)bps
% Derivatives	41%	50%	37%	~(900)bps	~400bps
Rates ex <1yr tenor swaps <sup>2</sup>	\$ 2.24	\$ 2.32	\$ 2.11	(3)%	6%
<b>Credit</b>	\$ 46.17	\$ 30.81	\$ 42.49	50%	9%
% Cash	45%	32%	36%	~1,300bps	~900bps
% Derivatives	55%	68%	64%	~(1,300)bps	~(900)bps
<b>Equities</b>	\$ 16.12	\$ 20.78	\$ 20.19	(22)%	(20)%
% Cash	51%	61%	61%	~(1,000)bps	~(1,000)bps
% Derivatives	49%	39%	39%	~1,000bps	~1,000bps
<b>Money Markets (Cash)</b>	\$ 0.47	\$ 0.46	\$ 0.52	3%	(9)%
<b>Total Fees per Million</b>	\$ 2.59	\$ 2.20	\$ 2.66	18%	(3)%
<b>Total FPM ex &lt;1yr tenor swaps<sup>2</sup></b>	\$ 2.76	\$ 2.62	\$ 2.72	6%	2%

## RATES

- **Y/Y:** mix shift towards short tenor swaps
- **Q/Q:** mix shift away from short tenor swaps

## CREDIT

- **Y/Y:** mix shift away from Derivatives due to higher growth in Cash products
- **Q/Q:** mix shift to Cash products from Derivatives

## EQUITIES

- **Y/Y:** mix shift to Derivatives due to higher growth in US Equity Options
- **Q/Q:** mix shift to Derivatives due to higher growth in US Equity Options

## MONEY MARKETS

- **Y/Y:** mix shift due to growth in Repos
- **Q/Q:** mix shift from Repos to other Money Market products

1. "Fees per million" means average variable fees per million dollars of volume traded on our trading platforms. Average variable fees per million should be reviewed in conjunction with our trading volumes and gross revenue by asset class.

2. Included to contextualize the impact the increase in volume of short tenored swaps/swaptions had on rates and total FPM.

# Adjusted Expenses<sup>1</sup> Detail

(\$ in thousands)

**4Q19 EXPENSE DECLINED 6.5% (CC 6.9% y/y)<sup>2</sup>**  
**FY19 EXPENSE GROWTH OF 4.3% (CC 4.7% y/y)<sup>2</sup>**

	4Q19	4Q18	%Δ 4Q19 vs 4Q18	%Δ Const. Currency 4Q19 vs 4Q18 <sup>2</sup>	%Δ FY19 vs FY18	%Δ Const. Currency FY19 vs FY18 <sup>2</sup>
Adjusted Expenses						
Employee compensation and benefits <sup>a</sup>	\$ 73,845	\$ 80,436	(8.2)%	(8.1)%	5.1%	6.2%
Depreciation and amortization <sup>b</sup>	10,959	10,607	3.3%	3.3%	4.8%	4.1%
Technology and communications	10,199	9,907	2.9%	2.8%	7.6%	8.0%
General and administrative <sup>c</sup>	9,989	11,484	(13.0)%	(16.9)%	(1.0)%	(3.6)%
Professional fees	7,048	8,194	(14.0)%	(14.0)%	(1.8)%	(2.4)%
Occupancy	3,786	3,308	14.4%	14.4%	-	-
Total adjusted non-compensation expenses	41,981	43,500	(3.5)%	(4.7)%	2.9%	2.1%
<b>Total Adjusted Expenses</b>	<b>\$ 115,826</b>	<b>\$ 123,936</b>	<b>(6.5)%</b>	<b>(6.9)%</b>	<b>4.3%</b>	<b>4.7%</b>

a. Adjusted to exclude non-cash stock-based compensation expense associated with the Special Option Award and post-IPO options awarded in 2019 and the payroll taxes associated with exercises of such options during the applicable period. See "Appendix" for additional information.

b. Adjusted to exclude acquisition and Refinitiv transaction related depreciation and amortization. See "Appendix" for additional information.

c. Adjusted to exclude gains/losses from outstanding foreign exchange forward contracts and the revaluation of foreign denominated cash. See "Appendix" for additional information.

1. Adjusted Expenses is a non-GAAP financial measure. See "Appendix" for a reconciliation to its most comparable GAAP financial measure.

2. Growth information presented on a "constant currency" basis reflects growth for the period excluding the impact of foreign currency fluctuations. See "Disclaimers – Non-GAAP Financial Measures" for more information.

# Capital Management & FY Guidance



## Key Highlights

- \$460.7 million of unrestricted cash (December 31)
- FY19 FCF: \$266.5 million<sup>1</sup>
- FY19 Capex & Cap software: \$44.5 million (+6% yr/yr)
- Board of Directors declared a quarterly dividend of \$0.08 per Class A and Class B share payable in March

## 2020 FY Guidance<sup>2</sup>

- Adjusted Expenses: \$495 - \$510 million
  - Includes ~\$5 million of new investments primarily in data strategy and cybersecurity
  - Includes ~\$3 million of duplicative rent expense
- Assumed non-GAAP tax rate: 22.0%
- Capex & Cap software: \$45 - \$50 million
- Acquisition and Refinitiv Transaction related D&A: \$110 million

1. Free Cash Flow is a non-GAAP financial measure. See "Appendix" for a reconciliation to its most comparable GAAP financial measure.

2. GAAP operating expenses and tax rate guidance are not provided due to the inherent difficulty in quantifying certain amounts due to a variety of factors including the unpredictability in the movement of foreign currency rates.

# APPENDIX

# Reconciliation of Non-GAAP Financial Measures (\$ in thousands)

Net Income to Adjusted EBITDA, Adjusted EBIT and Adjusted EBT	Successor 4Q19	Successor FY19	Successor 4Q18	Predecessor 9M18	Predecessor 2017	Predecessor 2016
<b>Net Income</b>	<b>\$ 57,278</b>	<b>\$ 173,024</b>	<b>\$ 29,307</b>	<b>\$ 130,160</b>	<b>\$ 83,648</b>	<b>\$ 93,161</b>
Contingent consideration	-	-	-	26,830	58,520	26,224
Interest income, net	(704)	(2,373)	(787)	(1,726)	(685)	695
Depreciation and amortization	36,402	139,330	33,020	48,808	68,615	80,859
Stock-based compensation expense <sup>1</sup>	2,700	25,098	-	-	-	-
Provision for income taxes	30,889	52,302	3,415	11,900	6,129	(725)
Unrealized foreign exchange (gains) / losses	(1,095)	(2,310)	263	(960)	(364)	1,872
(Gain) / loss from revaluation of foreign denominated cash <sup>2</sup>	105	1,225	90	(921)	(678)	(1,315)
Tax receivable agreement liability adjustment <sup>3</sup>	(33,134)	(33,134)	-	-	-	-
<b>Adjusted EBITDA</b>	<b>\$ 92,441</b>	<b>\$ 353,162</b>	<b>\$ 65,308</b>	<b>\$ 214,091</b>	<b>\$ 215,185</b>	<b>\$ 200,771</b>
Less: Depreciation and amortization	(36,402)	(139,330)	(33,020)	(48,808)	(68,615)	(80,859)
Add: Acquisition and Refinitiv Transaction related D&A <sup>4</sup>	25,443	97,565	22,413	19,576	31,236	41,125
<b>Adjusted EBIT</b>	<b>\$ 81,482</b>	<b>\$ 311,397</b>	<b>\$ 54,701</b>	<b>\$ 184,859</b>	<b>\$ 177,806</b>	<b>\$ 161,037</b>
Add: Interest income, net	704	2,373	787	1,726	685	(695)
<b>Adjusted EBT</b>	<b>\$ 82,186</b>	<b>\$ 313,770</b>	<b>\$ 55,488</b>	<b>\$ 186,585</b>	<b>\$ 178,491</b>	<b>\$ 160,342</b>
<b>Adjusted EBITDA Margin<sup>5</sup></b>	<b>46.9%</b>	<b>45.5%</b>	<b>36.6%</b>	<b>42.3%</b>	<b>38.2%</b>	<b>38.7%</b>
<b>Adjusted EBIT Margin<sup>5</sup></b>	<b>41.3%</b>	<b>40.2%</b>	<b>30.6%</b>	<b>36.5%</b>	<b>31.6%</b>	<b>31.1%</b>

1. Represents non-cash stock-based compensation expense associated with the Special Option Award and post-IPO options awarded in 2019 and the payroll taxes associated with exercises of such options during the applicable period.
2. Represents foreign exchange gain or loss from the revaluation of cash denominated in a different currency than the entity's functional currency.
3. Represents income recognized during the applicable period due to changes in the tax receivable agreement liability recorded in the statement of financial condition as a result of changes in the mix of earnings, tax legislation and tax rates in various jurisdictions which impacted our tax savings.
4. Represents acquisition-related intangibles amortization and increased tangible asset and capitalized software depreciation and amortization resulting from the Refinitiv Transaction and the application of push down accounting (where all assets were marked to fair value as of the closing date of the Refinitiv Transaction).
5. Adjusted EBITDA margin and Adjusted EBIT margin are defined as Adjusted EBITDA and Adjusted EBIT, respectively, divided by gross revenue for the applicable period. See "A Growth Company" and "4Q19 Earnings Performance" for gross revenue. Gross revenue for 2017 and 2016 was \$563.0 million and \$518.4 million, respectively.

Operating Expenses to Adjusted Expenses	Successor 4Q19	Successor FY19	Successor 4Q18	Predecessor 9M18
<b>Operating Expenses</b>	<b>\$ 142,979</b>	<b>\$ 585,747</b>	<b>\$ 146,702</b>	<b>\$ 338,607</b>
Acquisition and Refinitiv Transaction related D&A <sup>1</sup>	(25,443)	(97,565)	(22,413)	(19,576)
Stock-based compensation expense <sup>2</sup>	(2,700)	(25,098)	-	-
Unrealized foreign exchange gains / (losses)	1,095	2,310	(263)	960
Gain / (loss) from revaluation of foreign denominated cash <sup>3</sup>	(105)	(1,225)	(90)	921
<b>Adjusted Expenses</b>	<b>\$ 115,826</b>	<b>\$ 464,169</b>	<b>\$ 123,936</b>	<b>\$ 320,912</b>

1. Represents acquisition-related intangibles amortization and increased tangible asset and capitalized software depreciation and amortization resulting from the Refinitiv Transaction and the application of push down accounting (where all assets were marked to fair value as of the closing date of the Refinitiv Transaction).
2. Represents non-cash stock-based compensation expense associated with the Special Option Award and post-IPO options awarded in 2019 and the payroll taxes associated with exercises of such options during the applicable period.
3. Represents foreign exchange gain or loss from the revaluation of cash denominated in a different currency than the entity's functional currency.

Cash Flow from Operating Activities to Free Cash Flow	Successor FY19	Successor 4Q18	Predecessor 9M18
Cash flow from operating activities	\$ 311,003	\$ 112,556	\$ 164,828
Less: Capitalization of software development costs	(28,681)	(7,156)	(19,523)
Less: Purchase of furniture, equipment and leasehold improvements	(15,781)	(9,090)	(6,327)
<b>Free Cash Flow</b>	<b>\$ 266,541</b>	<b>\$ 96,310</b>	<b>\$ 138,978</b>



# Reconciliation of Non-GAAP Financial Measures cont. (\$ in thousands, except per share and share amounts)



Reconciliation of Net Income attributable to Tradeweb Markets Inc. to Adjusted Net Income and Adjusted Diluted EPS	Successor 4Q19	Successor FY19	Successor 4Q18	Predecessor 9M18
Earnings per diluted share <sup>1</sup>	\$ 0.25 <sup>b</sup>	\$ 0.19 <sup>a</sup> 0.54 <sup>b</sup>	\$ 0.13 <sup>a</sup>	\$ 0.60 <sup>a</sup>
Pre-IPO net income attributable to Tradeweb Markets LLC <sup>1</sup>	\$ -	\$42,352	\$29,307 <sup>a</sup>	\$130,160 <sup>a</sup>
Add: Net income attributable to Tradeweb Markets Inc. <sup>1</sup>	41,329 <sup>b</sup>	83,769	-	-
Add: Net income attributable to non-controlling interests <sup>1,2</sup>	15,949 <sup>b</sup>	46,903	-	-
<b>Net income</b>	<b>\$ 57,278<sup>b</sup></b>	<b>\$ 173,024<sup>a,b</sup></b>	<b>\$ 29,307<sup>a</sup></b>	<b>\$ 130,160<sup>a</sup></b>
Provision for income taxes	30,889	52,302	3,415	11,900
Contingent consideration	-	-	-	26,830
Acquisition and Refinitiv Transaction related D&A <sup>3</sup>	25,443	97,565	22,413	19,576
Stock-based compensation expense <sup>4</sup>	2,700	25,098	-	-
Unrealized foreign exchange (gains) / losses	(1,095)	(2,310)	263	(960)
(Gain) / loss from revaluation of foreign denominated cash <sup>5</sup>	105	1,225	90	(921)
Tax receivable agreement liability adjustment <sup>6</sup>	(33,134)	(33,134)	-	-
Adjusted Net Income before income taxes	82,186	313,770	55,488	186,585
Adjusted income taxes <sup>7</sup>	(21,697)	(82,835)	(14,649)	(49,258)
<b>Adjusted Net Income</b>	<b>\$ 60,489</b>	<b>\$ 230,935</b>	<b>\$ 40,839</b>	<b>\$ 137,327</b>
<b>Adjusted Diluted EPS<sup>1,8</sup></b>	<b>\$ 0.26<sup>b</sup></b>	<b>\$ 0.23<sup>a</sup> 0.77<sup>b</sup></b>	<b>\$ 0.18<sup>a</sup></b>	<b>\$ 0.64<sup>a</sup></b>

- In April 2019, the Company completed the Reorganization Transactions and the IPO. As a result, certain earnings information is being presented separately for Tradeweb Markets LLC and Tradeweb Markets Inc.
  - Presents information for Tradeweb Markets LLC (pre-IPO period).
  - Presents information for Tradeweb Markets Inc. (post-IPO period).
- For post-IPO periods, represents the reallocation of net income attributable to non-controlling interests from the assumed exchange of all outstanding LLC Interests for shares of Class A or Class B common stock.
- Represents acquisition-related intangibles amortization and increased tangible asset and capitalized software depreciation and amortization resulting from the Refinitiv Transaction and the application of pushdown accounting (where all assets were marked to fair value as of the closing date of the Refinitiv Transaction).
- Represents non-cash stock-based compensation expense associated with the Special Option Award and post-IPO options awarded in 2019 and the payroll taxes associated with exercises of such options during the applicable period.
- Represents foreign exchange gain or loss from the revaluation of cash denominated in a different currency than the entity's functional currency.
- Represents income recognized during the applicable period due to changes in the tax receivable agreement liability recorded in the statement of financial condition as a result of changes in the mix of earnings, tax legislation and tax rates in various jurisdictions which impacted our tax savings.
- Represents corporate income taxes at an assumed effective tax rate of 26.4% for all periods presented applied to Adjusted Net Income before income taxes. For pre-IPO periods, this adjustment assumes Tradeweb Markets LLC was subject to a corporate tax rate for the periods presented.
- Due to the Reorganization Transactions and the IPO completed in April 2019, shares outstanding during the year ended December 31, 2019 represent shares of TWM LLC (pre-IPO period) and shares of Class A and Class B common stock of Tradeweb Markets Inc. (post-IPO period).

## The table below summarizes the calculation of Adjusted Diluted EPS for the periods presented:

Reconciliation of Diluted Weighted Average Shares Outstanding to Adjusted Diluted Weighted Average Shares Outstanding	Successor 4Q19	Successor Pre-IPO Period FY19	Successor Post-IPO Period FY19	Successor 4Q18	Predecessor 9M18
Diluted weighted average TWM LLC shares outstanding	-	223,320,457	-	222,243,851	215,365,920
Diluted weighted average shares of Class A and Class B common stock outstanding	167,069,241	-	156,540,246	-	-
Assumed exchange of TWM LLC interests for shares of Class A and Class B common stock <sup>1</sup>	64,479,008	-	74,279,741	-	-
Adjusted diluted weighted average shares outstanding	231,548,249	223,320,457	230,819,987	222,243,851	215,365,920
<b>Adjusted Net Income (in thousands)</b>	<b>\$ 60,489</b>	<b>\$ 52,190</b>	<b>\$ 178,745</b>	<b>\$ 40,839</b>	<b>\$ 137,327</b>
<b>Adjusted Diluted EPS</b>	<b>\$ 0.26</b>	<b>\$ 0.23</b>	<b>\$ 0.77</b>	<b>\$ 0.18</b>	<b>\$ 0.64</b>

- Assumes the exchange of all outstanding LLC Interests for shares of Class A and Class B common stock, resulting in the elimination of the non-controlling interests and recognition of the net income attributable to non-controlling interests.

# Reconciliation of Non-GAAP Financial Measures cont. (\$ in thousands, except per share and share amounts)

**The following table summarizes the basic and diluted earnings per share calculations for Tradeweb Markets LLC (pre-IPO period):**

EPS: Pre-IPO net income attributable to Tradeweb Markets LLC <sup>1</sup>	Successor 1Q19	Successor 4Q18	Predecessor 9M18
<b>Numerator:</b>			
Pre-IPO net income attributable to Tradeweb Markets LLC	\$ 42,352	\$ 29,307	\$ 130,160
<b>Denominator:</b>			
Weighted average LLC Interests outstanding – Basic	222,222,197	222,221,628	215,365,920
Dilutive effect of equity-settled PRSUs	1,098,260	22,223	-
Weighted average LLC Interests outstanding - Diluted	223,320,457	222,243,851	215,365,920
<b>Earnings per share - Basic</b>	<b>\$ 0.19</b>	<b>\$ 0.13</b>	<b>\$ 0.60</b>
<b>Earnings per share - Diluted</b>	<b>\$ 0.19</b>	<b>\$ 0.13</b>	<b>\$ 0.60</b>

1. Earnings per share and weighted average shares outstanding for the pre-IPO periods have been computed to give effect to the Reorganization Transactions, including the amendment and restatement of the fourth amended and restated limited liability company agreement of Tradeweb Markets LLC to, among other things, (i) provide for a new single class of common membership interests in Tradeweb Markets LLC ("LLC Interests") and (ii) exchange all of the original members' existing membership interests for LLC Interests.

**The following table summarizes the basic and diluted earnings per share calculations for Tradeweb Markets Inc. (post-IPO period):**

EPS: Post-IPO net income attributable to Tradeweb Markets Inc.	Successor 4Q19	Successor FY19
<b>Numerator:</b>		
Post-IPO net income attributable to Tradeweb Markets Inc.	\$ 41,329	\$ 83,769
<b>Denominator:</b>		
Weighted average shares of Class A and Class B common stock outstanding - Basic	157,950,550	148,013,274
Dilutive effect of equity-settled PRSUs	2,675,831	2,464,137
Dilutive effect of options	6,442,860	6,062,835
Weighted average shares of Class A and Class B common stock outstanding - Diluted	167,069,241	156,540,246
<b>Earnings per share - Basic</b>	<b>\$ 0.26</b>	<b>\$ 0.57</b>
<b>Earnings per share - Diluted</b>	<b>\$ 0.25</b>	<b>\$ 0.54</b>

**The following is the calculation of gross revenue, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EBIT, Adjusted EBIT margin, Adjusted Net Income, Adjusted Diluted EPS and Free Cash Flow for the full year ended December 31, 2018. Revenue accounts were not, and the non-GAAP financial measures were not materially, impacted by the Refinitiv Transaction or the application of pushdown accounting. See "Disclaimer" for additional information.**

	Gross Revenue	Adjusted EBITDA <sup>1</sup>	Adjusted EBITDA Margin <sup>1</sup>	Adjusted EBIT <sup>1</sup>	Adjusted EBIT Margin <sup>1</sup>	Adjusted Net Income	Adjusted Diluted EPS	Free Cash Flow
January 1, 2018 to September 30, 2018	\$ 505,771	\$ 214,091	42.3%	\$ 184,859	36.5%	\$ 137,327	\$ 0.64	\$ 138,978
October 1, 2018 to December 31, 2018	\$ 178,637	\$ 65,308	36.6%	\$ 54,701	30.6%	\$ 40,839	\$ 0.18	\$ 96,310
<b>Full Year Ended December 31, 2018</b>	<b>\$684,408</b>	<b>\$ 279,399</b>	<b>40.8%</b>	<b>\$ 239,560</b>	<b>35.0%</b>	<b>\$ 178,166</b>	<b>\$ 0.82</b>	<b>\$ 235,288</b>

1. Adjusted EBITDA margin and Adjusted EBIT margin are defined as Adjusted EBITDA and Adjusted EBIT, respectively, divided by gross revenue of \$684.4 million for the full year ended December 31, 2018.

# Share Count Sensitivity



## PRO FORMA ADJUSTED FULLY DILUTED WEIGHTED AVERAGE SHARES

Assumed Average Share Price	Q1 2020	Q2 2020	Q3 2020	Q4 2020
\$ 40.00	231,140,846	231,275,263	231,399,787	232,580,594
\$ 41.00	231,309,763	231,441,118	231,562,604	232,769,327
\$ 42.00	231,470,726	231,599,075	231,717,669	232,949,073
\$ 43.00	231,624,252	231,749,685	231,865,521	233,120,459
\$ 44.00	231,770,800	231,893,449	232,006,652	233,284,054
\$ 45.00	231,910,887	232,030,823	232,141,511	233,440,379
\$ 46.00	232,044,896	232,162,225	232,270,506	233,589,906
\$ 47.00	232,173,203	232,288,035	232,394,013	233,733,071
\$ 48.00	232,296,163	232,408,603	232,512,373	233,870,271
\$ 49.00	232,414,105	232,524,594	232,626,246	234,003,002
\$ 50.00	232,527,478	232,636,090	232,735,709	234,131,046
\$ 51.00	232,636,562	232,743,243	232,840,909	234,254,099
\$ 52.00	232,741,571	232,846,276	232,942,063	234,372,586
\$ 53.00	232,842,677	232,945,420	233,039,936	234,488,477
\$ 54.00	232,940,052	233,041,432	233,136,662	234,603,852
\$ 55.00	233,035,194	233,137,768	233,232,935	234,716,235

The pro forma adjusted fully diluted weighted average shares outstanding and assumed share prices provided in the table above are being provided for illustrative purposes only and do not purport to represent what fully diluted weighted averages shares outstanding or our share price may be for any future period. The trading price of our Class A common stock could be volatile, and there can be no guarantee that actual trading prices will be at or above the assumed prices provided in the table above.

Pro forma adjusted fully diluted weighted average shares outstanding is computed by adjusting the weighted average shares of Class A and Class B common stock outstanding to give effect to potentially dilutive securities, including certain shares of Class A common stock underlying outstanding options and PRSU awards using the treasury stock method. The weighted average share calculation also assumes outstanding LLC Interests of Tradeweb Markets LLC were exchanged for shares of Class A or Class B common stock at the beginning of the applicable period. This adjustment is made for purposes of calculating pro forma adjusted fully diluted weighted average shares outstanding only and does not necessarily reflect the amount of exchanges that may occur in the future.

# Quarterly Volumes



Asset Class	Product	Q4 2019		Q3 2019		Q4 2018		QoQ	YoY
		ADV (USDmm)	Volume (USDmm)	ADV (USDmm)	Volume (USDmm)	ADV (USDmm)	Volume (USDmm)	ADV	ADV
Rates	Cash	267,716	16,639,376	284,629	18,260,913	240,080	14,729,907	-5.94%	11.51%
	U.S. Government Bonds	77,007	4,774,459	82,128	5,256,162	79,091	4,824,576	-6.23%	-2.63%
	European Government Bonds	19,643	1,257,179	23,373	1,542,540	20,134	1,308,730	-15.96%	-2.44%
	Mortgages	167,952	10,413,002	175,478	11,230,569	138,929	8,474,693	-4.29%	20.89%
	Other Government Bonds	3,113	194,735	3,651	231,641	1,925	121,907	-14.73%	61.70%
	Derivatives	183,554	11,551,786	278,749	18,044,201	138,855	8,709,145	-34.15%	32.19%
	Swaps/Swaptions ≥ 1Y	138,753	8,739,588	148,195	9,610,603	125,140	7,849,237	-6.37%	10.88%
	Swaps/Swaptions < 1Y	44,165	2,772,698	129,981	8,396,929	13,122	823,773	-66.02%	236.57%
	Futures	637	39,500	573	36,669	592	36,136	11.17%	7.56%
	<b>Total</b>	<b>451,270</b>	<b>28,191,162</b>	<b>563,379</b>	<b>36,305,114</b>	<b>378,935</b>	<b>23,439,052</b>	<b>-19.90%</b>	<b>19.09%</b>
	Credit	Cash	6,000	373,837	5,437	352,688	4,323	268,001	10.37%
U.S. High-Grade		3,213	199,230	2,476	158,462	2,064	125,876	29.78%	55.72%
U.S. High-Yield		357	22,123	328	20,973	269	16,421	8.89%	32.55%
European Credit		1,299	83,111	1,203	79,409	1,171	76,100	7.93%	10.92%
Municipal Bonds		217	13,426	226	14,433	292	17,831	-3.98%	-25.92%
Chinese Bonds		849	51,812	1,139	75,201	484	29,013	-25.45%	75.66%
Other Credit Bonds		65	4,135	65	4,209	44	2,761	1.11%	49.93%
Derivatives		7,218	454,130	11,763	764,357	7,711	484,383	-38.63%	-6.39%
Swaps		7,218	454,130	11,763	764,357	7,711	484,383	-38.63%	-6.39%
<b>Total</b>		<b>13,218</b>	<b>827,967</b>	<b>17,199</b>	<b>1,117,045</b>	<b>12,034</b>	<b>752,384</b>	<b>-23.14%</b>	<b>9.84%</b>
Money Markets		Cash	211,131	13,211,134	227,125	14,701,122	188,938	11,689,227	-7.04%
	Repurchase Agreements (Repo)	192,990	12,083,967	209,298	13,557,806	168,690	10,450,000	-7.79%	14.41%
	Other Money Markets	18,141	1,127,167	17,827	1,143,316	20,248	1,239,227	1.76%	-10.41%
<b>Total</b>	<b>211,131</b>	<b>13,211,134</b>	<b>227,125</b>	<b>14,701,122</b>	<b>188,938</b>	<b>11,689,227</b>	<b>-7.04%</b>	<b>11.75%</b>	
Equities	Cash	4,548	291,040	4,500	291,470	5,202	330,282	1.06%	-12.58%
	U.S. ETFs	2,974	190,355	2,756	176,353	3,918	246,862	7.94%	-24.09%
	European ETFs	1,573	100,685	1,744	115,118	1,283	83,420	-9.81%	22.58%
	Derivatives	4,442	284,298	2,845	184,659	3,343	212,662	56.11%	32.90%
	Convertibles/Swaps/Options	2,628	168,190	1,275	83,721	964	62,377	106.12%	172.65%
	Futures	1,814	116,108	1,570	100,938	2,379	150,285	15.52%	-23.73%
<b>Total</b>	<b>8,990</b>	<b>575,338</b>	<b>7,345</b>	<b>476,129</b>	<b>8,544</b>	<b>542,944</b>	<b>22.39%</b>	<b>5.21%</b>	
<b>Total</b>		<b>684,609</b>	<b>51,411</b>	<b>815,048</b>	<b>51,682</b>	<b>588,451</b>	<b>47,020</b>	<b>-16.00%</b>	<b>16.35%</b>

## PRODUCT CATEGORIES INCLUDE

U.S. Government Bonds: U.S. Treasury bills, notes and bonds, and Treasury Inflation-protected Securities.

Mortgages: To-be-announced mortgage-backed securities, specified pools, collateralized mortgage obligations, commercial mortgage-backed securities, other mortgage derivatives and other asset-backed securities.

Other Government Bonds: Japanese, Canadian, Australian and New Zealand government bonds, covered bonds (including Pfandbriefe), other government-guaranteed securities, supranational, sub-sovereign and agency bonds/debentures. Starting in February 2019, Canadian Government Bonds effected on Tradeweb by non-Canadian clients have been added to these volumes.

Rates Futures: Government bond futures leg of exchange for physicals (EFPs).

U.S. High-Grade and High-Yield: All TRACE-reported corporates, excluding convertibles (see page 3 for segmentation methodology).

Chinese Bonds: Chinese Interbank Bond Market (CIBM) instruments – government and corporate – transacted via Bond Connect Company Limited (BCCL).

Other Credit Bonds: Other developed market (including non-TRACE-reported bonds, preferreds and structured notes), developing and emerging market corporate and government bonds.

Credit Swaps: Index and single name credit default swaps.

Other Money Markets: Agency discount notes, commercial paper, certificates of deposits (including structured CDs), and deposits. Starting in February 2019, Canadian Commercial Paper effected on Tradeweb by non-Canadian clients have been added to these volumes.

ETF: Exchange traded funds (ETFs), ETF leg of EFPs, and net asset value trades.

Convertibles/Swaps/Options: Convertible bonds, equity swaps, call and put strategies, and other equity derivatives excluding futures.

Equities Futures: Equity futures including the futures leg of EFPs.

## VOLUMES

Volumes include Tradeweb, Dealerweb and Tradeweb Direct. Except with respect to U.S. Treasuries, both sides of a trade are included in volume totals where the trade is fully-anonymous and a Tradeweb broker-dealer is the matched principal counterparty. Riskless principal trades on Tradeweb Direct are single-count.

All volumes converted to U.S. Dollars.

Volumes for Mortgages represent current face value at time of trade.

Volumes can reflect cancellations and corrections that occur after prior postings.

U.S. government bond volumes have been updated as a result of a reclassification of certain U.S. Treasury transactions.

# U.S. Corporate Bonds



## USING MARKET REPORTING STANDARDS

### TRADEWEB MARKETS

Product	Type	Q4 2019						Q3 2019						Q4 2018						QoQ		YoY	
		Volume (USD mm)			Trades			Volume (USD mm)			Trades			Volume (USD mm)			Trades			ADV	ADT	ADV	ADT
		ADV	Total	% of Reported	ADT	Total	% of Reported	ADV	Total	% of Reported	ADT	Total	% of Reported	ADV	Total	% of Reported	ADT	Total	% of Reported				
U.S. High-Grade	Total	3,213	205,930	15.8%	8,184	682,314	24.0%	2,576	164,887	12.5%	9,956	637,190	21.8%	2,177	132,817	10.5%	10,618	647,670	21.4%	24.69%	-17.80%	47.54%	-22.92%
	Electronically Processed	1,792	111,089	8.5%	325	20,141	0.7%	1,492	95,505	7.2%	262	16,777	0.6%	1,316	80,262	6.3%	210	12,811	0.4%	20.07%	23.92%	36.18%	54.68%
	Fully Electronic	1,421	94,841	7.3%	7,860	662,173	23.3%	1,084	69,382	5.3%	9,694	620,413	21.3%	862	52,555	4.2%	10,408	634,859	21.0%	31.06%	-18.92%	64.91%	-24.48%
U.S. High-Yield	Total	372	23,088	4.3%	2,044	126,750	13.9%	343	21,924	4.1%	1,970	126,099	13.0%	278	16,977	3.4%	1,541	93,986	10.9%	8.71%	3.76%	33.81%	32.69%
	Electronically Processed	140	8,679	1.6%	41	2,560	0.3%	168	10,742	2.0%	45	2,855	0.3%	171	10,443	2.1%	54	3,272	0.4%	-16.60%	-7.44%	-18.23%	-23.02%
	Fully Electronic	232	14,409	2.7%	2,003	124,190	13.6%	175	11,182	2.1%	1,926	123,244	12.7%	107	6,534	1.3%	1,487	90,714	10.5%	33.02%	4.02%	116.98%	34.69%

### REPORTED MARKET

Product	Q4 2019				Q3 2019				Q4 2018				QoQ		YoY							
	Volume (USD mm)		Trades		Volume (USD mm)		Trades		Volume (USD mm)		Trades		ADV	ADT	ADV	ADT						
	ADV	Total	ADT	Total	ADV	Total	ADT	Total	ADV	Total	ADT	Total										
U.S. High-Grade (TRACE)	20,976	1,300,526		45,919	2,847,008		20,622	1,319,832		45,590	2,917,778		20,727	1,264,335		49,621	3,026,891		1.72%	0.72%	1.20%	-7.46%
U.S. High-Yield (TRACE)	8,630	535,039		14,758	915,016		8,305	531,507		15,201	972,862		8,170	498,398		14,102	860,209		3.91%	-2.91%	5.62%	4.66%

### FOOTNOTES

Numbers include all activity on Tradeweb, Dealerweb and Tradeweb Direct.

Corporate bond volume and trade count numbers reflect all trades reported to TRACE, excluding emerging market and convertible bonds.

Monthly average capped volumes for HG and HY applied to capped trades based on TRACE reporting standards.

Electronically Processed include voice trades processed electronically on Tradeweb.

Day counts for corporate bonds reflect all SIFMA trading days.

Segmentation between HG and HY determined using the following methodology and ratings from Standards & Poor's

Segmentation between HG and HY determined using the following methodology and ratings

from Standards & Poor's (S&P), Moody's Investor Services and Fitch Ratings:

- If 2 of 3 of the bond's ratings are equal to or worse than BB+/Ba1/BB+ (but not including "other ratings") then the bond is HY.
- If 1 of 3 of the bond's ratings is equal to or worse than BB+/Ba1/BB+, and none are better, then the bond is HY.
- If the bond is not rated by any agency then the bond is HY.
- If 3 of 3 of the bond's ratings are better than BB+/Ba1/BB+ (but not including "other ratings") then the bond is HG.
- If 2 of 3 of the bond's ratings are better than BB+/Ba1/BB+ then the bond is HG.
- If 1 of 3 of the bond's ratings is better than BB+/Ba1/BB+, and none are equal or worse, then the bond is HG.
- If 1 of 3 of the bond's ratings is better than BB+/Ba1/BB+ and 1 of 3 is equal or worse, then the bond is HG. (i.e. The bond is split rated: 1 HG, 1 HY).

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